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INVESTIGATION RELATIVE TO THE TREATY  
OF PEACE WITH GERMANY 416 ①

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HEARING 27

BEFORE THE

COMMITTEE ON FOREIGN RELATIONS  
UNITED STATES SENATE

SIXTY-SIXTH CONGRESS.

FIRST SESSION

PURSUANT TO

**S. RES. 64**

DIRECTING THE COMMITTEE ON FOREIGN RELATIONS TO  
INVESTIGATE WHETHER COPIES OF THE PEACE TREATY  
WITH GERMANY ARE IN THE CITY OF NEW YORK, BY  
WHOM AND HOW THEY WERE OBTAINED, AND SO FORTH

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**PART 1**

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Printed for the use of the Committee on Foreign Relations

*U.S. Congress, Senate, Committee on Foreign Relations*  
*Investigation into the Peace Treaty with Germany*



WASHINGTON  
GOVERNMENT PRINTING OFFICE  
1919

## COMMITTEE ON FOREIGN RELATIONS.

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FRANK B. BRANDEGEE, Connecticut.  
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II

MAR 10 1920

*Sen. H. C. Lodge*



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U. S. SENATE

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# INVESTIGATION RELATIVE TO THE TREATY OF PEACE WITH GERMANY.

MONDAY, JUNE 9, 1919.

UNITED STATES SENATE,  
COMMITTEE ON FOREIGN RELATIONS,  
*Washington, D. C.*

The committee met at 10.30 o'clock a. m. in executive session, pursuant to the call of the chairman.

Present: Senators Lodge (chairman), McCumber, Borah, Brandegee Fall, Knox, Harding, Johnson, New, Moses, Hitchcock, Williams, Swanson, Pomerene, Smith, and Pittman.

At the request of the chairman Senator McCumber assumed the chair.

The committee had under consideration the following Senate resolution:

[S. Res. 64, Sixty-sixth Congress, first session.]

Whereas the Senator from Idaho, Mr. Borah, has stated in the Senate that certain interests in the city of New York have secured copies of the peace treaty with Germany while the American people have been unable to secure one; and

Whereas the Senator from Massachusetts, Mr. Lodge, has stated in the Senate that he knows of four such copies of said treaty of peace with Germany now in New York and that the only place where it is not allowed to come is the United States Senate; and

Whereas the Senator from Idaho, Mr. Borah, has stated that the interests now having possession of said copies of said treaty are peculiarly interested in the treaty: Now, therefore, be it

*Resolved*, That the Committee on Foreign Relations be, and it hereby is, authorized and directed to investigate the matter with a view to ascertaining the facts, and particularly to ascertain and report to the Senate the names of the persons, corporations, or interests which have secured copies of said treaty and from whom they were secured and by what methods, and also to ascertain and report to the Senate in what manner and to what extent said interests are "particularly" interested in said treaty. For these purposes the Committee on Foreign Relations, or any subcommittee thereof, be, and it is, authorized to send for persons, books, and papers, to administer oaths and to employ a stenographer, at a cost not exceeding \$1 per printed page, to report such hearings as may be had in connection with the same, the expenses thereof, including the cost of travel, to be paid out of the contingent fund of the Senate, and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

Senator McCUMBER (acting chairman). Gentlemen, if you will allow the acting chairman now to make an inquiry as to the desire of the committee, my understanding is that this morning we are simply to pass upon the question of whether or not we will have the investigation outlined in the resolution of Senator Hitchcock, and that, bearing upon that subject and before passing upon it, we shall hear from Senator Borah and Senator Lodge. Then, after passing upon that, we will determine whether or not we will have public hearings. That would seem to me to be the logical order in which we should consider the matter.

Senator MOSES. Why is there any question about conducting the investigation, inasmuch as we are both authorized and directed by the resolution of the Senate to conduct it?

Senator McCUMBER. The question is as to publicity at this time; whether we shall have public hearings.

Senator HITCHCOCK. Mr. Chairman, in order to get something before the committee, I move that at this preliminary meeting newspaper men be now admitted.

Senator WILLIAMS. I move, as a substitute, that all the hearings of the committee in this matter be open to the public.

Senator FALL. I second that motion.

(The question was taken and the motion was agreed to.)

Senator McCUMBER. If we are going to have a public meeting, then I suppose we should invite the newspaper men to come in as well as those to be heard.

Senator LODGE. Yes.

Senator McCUMBER. Let them come in.

(At this point the doors of the committee room were opened to the public.)

Senator HITCHCOCK. I submit to the committee a copy of a cablegram received from the President, which expresses his position in the matter, if the committee would like to have me introduce it at this time.

Senator LODGE. It seems to me you should begin with the resolution. The resolution refers to Senator Borah and to me as the foundation of the investigation. Of course, we ought to begin, and other matters come in after you have heard us. This is an executive matter. The document was never in our possession, and we ought to hear, I think, what the executive department has to say.

Senator FALL. Mr. Chairman, I think the dignified course for this committee to pursue would be to send at once for the Secretary of State, to notify him that the committee is in session and ask him to come here to-day, so that we may ascertain just the status of this treaty. We have no knowledge that the President has not authorized or even directed the Secretary of State to give out the treaty, and we have no knowledge that he has not given out the treaty; and we have no knowledge whether there are any copies of the treaty in existence anywhere in the United States that have not been given out with the consent of the Secretary. We should first ascertain that. I think we should ascertain from him what the status is.

Senator BRANDEGEE. The Secretary of State is not here, you know. There is an Acting Secretary of State.

Senator FALL. Well, he is called the Secretary of State in the newspapers. He is designated as the Acting Secretary of State. I move, therefore, that we notify the Acting Secretary of State that we are in session and have the chairman get in communication with him at once.

Senator WILLIAMS. Mr. Chairman, the President of the United States is at the head of the Diplomatic Service of the United States, and the Secretary of State, unlike other Cabinet members, is an officer at the head of a department. I move, therefore, that the communication of the President of the United States be read to the committee.

Senator BORAH. I do not know just what authority a man that is under investigation has to speak. I have no knowledge of the cablegram of the President; but I shall insist on the Secretary of State coming here.

Senator WILLIAMS. Let that come up later.

Senator BRANDEGEE. May I suggest to the Senator from Mississippi that he let Senator Fall's motion be passed, and not to make his motion as a substitute, but let the President's telegram be read?

Senator WILLIAMS. I move that the President's wire be read pending this motion of the committee.

Senator McCUMBER. If there be no objection, it will be so ordered and the telegram will be read.

Senator HITCHCOCK. The telegram reads as follows:

JUNE 7, 1919.

TUMULT,

*White House, Washington:*

Please convey the following to Senator Hitchcock:

"I am heartily glad that you have demanded an investigation with regard to the possession of texts of the treaty by unauthorized persons. I have felt that it was highly undesirable officially to communicate the text of a document which is still in negotiation and subject to change. Anyone who has possession of the official English text has what he is clearly not entitled to have or to communicate. I have felt in honor bound to act in the same spirit and in the same way as the representatives of the other great powers in this matter, and am confident that my fellow countrymen will not expect me to break faith with them. I hope the investigation will be most thoroughly prosecuted."

WOODROW WILSON.

Senator McCUMBER. Now, will you renew your motion, Senator Fall?

Senator FALL. I renew it.

Senator McCUMBER. You have heard the motion of the Senator from New Mexico.

Senator HITCHCOCK. Mr. Chairman, I would like to inquire of the Senator what is to be gained by the motion at this time. We are here not to investigate the State Department. We have been directed by the Senate to investigate certain statements made by Senators on the floor of the Senate to the effect that unauthorized copies of a treaty were in the possession of New York interests while being withheld from the Senate. Now, we know that they are withheld from the Senate, and we do not need to inquire of the Secretary of State to ascertain that fact. What we want to ascertain is simply who has possession of the copies of the treaty in New York, and how did they get possession of them.

Senator BORAH. We want to know who it is that is withholding it from the Senate. That has a very great bearing on who has it in New York.

Senator HITCHCOCK. The President says he is withholding it.

Senator BRANDEGEE. I rise to a point of order. We have invited the newspaper men to come in here, and they want to get a connected idea of what is said. We ought not to talk all at once. There should be a connected statement made.

Senator FALL. The President says, as I understand it:

I am heartily glad that you have demanded an investigation with regard to the possession of texts of the treaty by unauthorized persons.

The very first step to take is to ascertain whether anyone in authority here in the United States who has authority to give out the treaty has given out the treaty. The Secretary of State is an authority here, and he has stated that he knew of no copies in the United States except those in his possession. The first thing we have to do, it seems to me, is to ascertain whether he has given out, or allowed to go out, any copies of the treaty.

The President welcomes an investigation as to whether there are unauthorized persons having the official text of the treaty in English, and says that if there are any of the official texts in English, they are unauthorized—in the hands of some unauthorized persons—as I understand it.

Senator PITTMAN. It seems to me the first thing to find out is whether or not Senator Lodge and Senator Borah are mistaken as to there being any official copies of the treaty in New York. If they are mistaken in this, why go any further in the matter?

Senator KNOX. Mr. President, I think that if for no other reason, it is a courtesy we owe to the Acting Secretary of State to invite him to come here. The Secretary of State is the usual custodian of all papers concerning diplomatic relations, and if papers that have not been given to the public by authority have gotten out, there is a possibility that it may have been through some one connected with his department, either here or in Europe, and I think he ought to have the privilege, if for nothing else—if there was nothing else—of coming here and being present at all our hearings, and with the right to interrogate witnesses.

Senator McCUMBER. The question now is upon the motion to request the presence of the Acting Secretary of State.

Senator WILLIAMS. I did not hear that.

Senator BRANDEGEE. Will you state your motion again, Senator?

Senator FALL. I did not have the motion written out. I think that it should be adopted without hesitation. It was simply that the Secretary of State or the Acting Secretary of State be notified that this committee is now in session carrying on an investigation under the resolution adopted by the Senate, and that he be invited to come before the committee and stay here as long as he pleases and take part in the investigation.

Senator WILLIAMS. That is what I wanted to get at. I did not know whether you said "directed" or "invited."

Senator McCUMBER. If there is no objection, that will be the order of the committee, and the Acting Secretary of State will be notified.

Senator LODGE. The clerk will call him on the telephone and I will speak with him.

Senator McCUMBER. In the meantime, what is the present pleasure of the committee?

Senator HITCHCOCK. I should judge, Mr. Chairman, that the Senator from Idaho should be given an opportunity to make any statement that he desires to make to aid the committee in securing information as to the charges made.

Senator McCUMBER. We will hear the Senator from Idaho.

## STATEMENT OF SENATOR WILLIAM E. BORAH, OF IDAHO.

Senator BORAH. I desire to preface any remarks I make by reading what I said on June 3, 1919, to which the resolution has reference. This was when Senator Johnson's resolution came up. I read from the Congressional Record of June 3, 1919, page 575:

Mr. BORAH. Mr. President, I do not desire to object, but before the order is entered I wish to say that it is now an established fact that the treaty which this resolution is calling for is public to the people of Europe, particularly those with whom we were lately engaged in war. It is also true, Mr. President, that the treaty is now in the possession of certain interests in New York City. While the Senate of the United States is asking for a treaty with which it will ultimately have to deal, and while the American people are asking for a treaty by which they will ultimately, in all probability, be bound, and are unable to secure it, certain interests in the city of New York are in the possession of this treaty and are discussing it.

I read further from page 577, as follows:

Mr. BORAH. I desire to conclude what I have to say in regard to this matter by saying that, regardless of what the agreement was between the big three, I assume that when the President learns that notwithstanding the agreement certain interests in New York have gotten possession of it, interests which are peculiarly interested in the treaty, the President will no longer feel that he is under an obligation to keep faith those people, and that he will give it to the other branch of the treaty-making power and to the people generally.

Further I said:

Mr. BORAH. I think the facts are that copies of the treaty which are in New York did not come from Germany. I think the Senator will find that they came under a confidential promise or a promise to be treated as confidential. But, nevertheless, they are there being discussed and considered by a great many people who are interested in the question but not as interested as is the Senate of the United States. They are representing themselves while we are representing a constituency.

Mr. SWANSON. The Senator gives reasons why the committee should investigate it.

Mr. BORAH. No; I do not want any investigating. I want the President to know that those people in New York who have these copies are using it in a semipublic way, to wit, in a way which will inform all those who are interested with them as to its contents, and I shall not assume until the facts have shown the contrary that when that fact is brought to the attention of the President he will withhold from the people that which those who are particularly interested in the treaty have in their possession.

Again I said:

Mr. BORAH. If the President has made an agreement with the other members with whom he is associated in the peace conference that the treaty should not be given out, then there is no reason why the President should not communicate the fact to us that the agreement exists. We have only an Associated Press dispatch, which is modified in different ways, in one instance stating that the President himself has denied it to the public. But even if that agreement has been made, nevertheless a number of copies have gone into the hands of special interests in this country which are particularly interested in some of its terms, and so I am sure the President would be relieved from that obligation and should give it to the people who are interested in it.

That is the substance of what I said.

Mr. Chairman, about the 6th of March I began an investigation in New York, in my own way and under difficulty, to ascertain the relationship of the international bankers to the league of nations and to the League to Enforce Peace, and I have been carrying on that investigation ever since as best I could, under somewhat adverse circumstances. I ascertained to my own satisfaction that practically all the international bankers were deeply interested in the league of nations, and were joining in promoting its adoption in this country.

That information came to me in different ways.

Senator KNOX. In what way, Senator?

Senator BORAH. By contributions for all kinds of propaganda, by public speeches, and by different methods.

Senator WILLIAMS. Expressions of opinion through the press?

Senator BORAH. Yes, etc. As I say, I found that without exception, so far as I could ascertain, they were all supporting it. Of course my means of securing information was imperfect and I can not be accurate. Naturally that led to certain conclusions, which are not evidence but which were controlling with me, and I became, therefore, convinced that those gentlemen were interested in the promotion of the league of nations not because of any ultrapatriotic motives, but because they regarded it as better for the financial world.

Senator WILLIAMS. Interest in the maintenance of the peace in the world?

Senator BORAH. Yes.

Senator WILLIAMS. Their business depends upon it.

Senator BORAH. Yes; as illustration, the amount of money which was made out of this war.

Senator WILLIAMS. Yes.

Senator BORAH. As I became impressed with that idea more and more, I found more and more of their activity here and there in regard to the promotion of the league of nations.

Now, I can not give and I do not intend to give the sources of my information, but I do intend to give the committee the result of my investigation, and the information which I received, in a way which I think will enable the committee to get precisely what it wants.

Senator WILLIAMS. Senator, do you not think you ought to give the names?

Senator BORAH. Wait a minute. I will give you enough, now.

In order that the committee may have the benefit of my information and the sources of my information, except for naming the persons individually, I desire the committee to subpoena Jacob Schiff, Thomas Lamont, Henry P. Davison, Paul Warburg, and Mr. Morgan.

Senator WILLIAMS. Would you mind adding the name of Frank A. Vanderlip to that list?

Senator BORAH. I am making a statement of my investigation. I have no doubt but that there are others, and I will cooperate with the Senator from Mississippi in bringing Mr. Vanderlip. I will vote for any name that the Senator from Mississippi will mention.

I want also Mr. Lamont to bring with him the correspondence between Morgan & Co., the bankers, and their agents in Paris and London.

Senator FALL. In relation to the league of nations?

Senator BORAH. In relation to the league of nations, or as to their interest in it from a financial standpoint, and so forth, and particularly any correspondence that they had with Henry P. Davidson while he was abroad.

Senator WILLIAMS. Who is he?

Senator BORAH. He is another one of the representatives of Morgan & Co., who are now advocating the League of Nations.

Senator HITCHCOCK. Is he the head of the Red Cross?

Senator BORAH. Yes.

Senator FALL. He is a member of the firm of J. P. Morgan & Co.

Senator BORAH. I am satisfied that if we will subpoena these gentlemen we will find what their interest is; first, that it has been active and constant; second, that they are in possession of copies of the treaty, and have been for the last 10 days.

Senator WILLIAMS. Did you say 10 days?

Senator BORAH. I do not know the exact time, but I have known—

Senator WILLIAMS. I just wanted to know what you said. I did not hear you.

Senator BORAH. I said 10 days, but I am not speaking definitely as to that.

Senator WILLIAMS. I understand that, perfectly, but I just did not hear.

Senator McCUMBER. The Senator will proceed.

Senator BORAH. As I understand this resolution, it covers two propositions; first, the interests which the parties who are in possession of the copies may have in this general proposition, and why they are particularly interested in having the copies; second, that they have a copy. Now, if I can, I want to lay the foundation first of their interest; and then there will be no doubt in my opinion about our getting the copy. I do not think there will be any doubt about that. The difficulty is going to be to show their relationship, as to why they are interested in the proposition. That will be a more difficult matter to determine.

Senator FALL. Yes; and how they secured the copy.

Senator BORAH. Yes; and how they secured the copy. I do not feel that I can give the names of the particular individuals from whom I derived this information. In the first place, it would be a betrayal of confidence; and, secondly, it would absolutely preclude, to my mind, and what to me is infinitely more important right now, and that is the continuation of the investigation of the relationship of these men to this issue. That is all I have to say at this time.

Senator HITCHCOCK. I move that the gentlemen named be subpoenaed under such arrangements as the chairman may make, as to time and place, as may suit the convenience of the witnesses and the committee.

Senator WILLIAMS. I suggest that the name of Frank A. Vanderlip be added.

Senator FALL. Will that motion include that they be served with a subpoena duces tecum?

Senator HITCHCOCK. Yes; everything asked by Senator Borah.

Senator McCUMBER. If there is no objection, that will be the order of the committee, and including the name of Mr. Vanderlip.

Senator HITCHCOCK. Mr. Vanderlip?

Senator McCUMBER. Yes.

Senator HITCHCOCK. Senator Borah, will you permit me to ask whether you ascertained as to the number of copies probably in circulation in New York?

Senator BORAH. No; I did not ascertain. I kept hearing of copies. Whether it was the same copy passing among a coterie of men I have no means of knowing. Understand that I have never seen the copy and have never undertaken to locate the number of copies. That was not a matter of any concern to me; that is, it did not impress me at the time as being of any moment.



Senator HITCHCOCK. Does that include the names of all the parties that you heard had copies?

Senator BORAH. No. I do not want to give the rest of the names until these gentlemen have appeared.

Senator HITCHCOCK. But the other names can be furnished later?

Senator BORAH. Yes. If these gentlemen do not state what I think they will all state, it will be necessary to call other men.

Senator WILLIAMS. Do you not think you ought to give us the names?

Senator BORAH. No; I do not. I am just as much interested in this investigation as the Senator is, and just as anxious to uncover this, but—

Senator HITCHCOCK. You know the conditions better than I do.

Senator BORAH. Yes.

Senator HITCHCOCK. I thought it was important to have the names. Are there any other names you desire to have included?

Senator BORAH. No; those are the only names I desire to give at this time.

Senator HITCHCOCK. But you have heard of others who have a copy in their possession, other than those included in this list?

Senator BORAH. Yes.

Senator HITCHCOCK. You have spoken of people who are interested in the ratification of the treaty. Some man may have had possession of it who is not interested in the ratification of the treaty, or who is interested in having it not ratified, and he would have opened negotiations with you.

Senator BORAH. No; that does not necessarily follow, because this matter was discussed among business men in New York and was naturally known to men who were not interested in the treaty or the ratification of it. It does not necessarily follow at all.

Senator HITCHCOCK. It does not follow that any man opposed to the treaty is in possession of a copy of it. You are willing to state that?

Senator BORAH. No; I am not. There may be people who are opposed to it who have copies of it, but I do not pretend to say that at all. I think there are a great many copies in New York, but that is a mere matter of opinion, judging from the matter of the places where it has turned up in discussion.

Senator HITCHCOCK. Have you any reason to believe that it is a copy belonging to any one of these men that was seen by Senator Lodge?

Senator BORAH. I have no information as to who it was that showed this to Senator Lodge. Of course, I have my opinion, but I have no facts in regard to it, and I do not believe—I am only stating now my opinion, but I do not believe—any of these men showed it to Senator Lodge.

Senator PITMAN. Did these parties from whom you obtained your information state that they had read this purported treaty?

Senator BORAH. I think I can go this far, in justice, and say that the first information I got about this was not intended to convey to me that the treaty was there, as a separate, distinct fact, but they were speaking in commendation of my opposition to it, and then stated that certain interests were active in this matter and went on to state facts which showed that he knew they were in possession of

the treaty; but what he was informing about was not so much to convey the fact that they had possession of the treaty, as a general discussion of the situation as he had seen it in New York. This man who gave me this information, in my opinion, was not a New Yorker at all.

Senator HITCHCOCK. I am not speaking of the parties from whom you got your information; I am speaking of those who led you to believe that they had full knowledge of the treaty. Did those parties tell you that they had read or seen the full treaty?

Senator BORAH. This party who communicated with me about it did not say that he had seen it, but that he had known of the discussion mentioning most of the contents and details.

Senator HITCHCOCK. Did any of these other parties tell you that they had read this purported treaty?

Senator BORAH. Not the entire treaty, but they had heard discussed certain phases of it and certain portions of it.

Senator HITCHCOCK. They had discussed it with those who did have it?

Senator BORAH. I take it that they had.

Senator PITTMAN. They were men, then, in the confidence of those who did have the treaty?

Senator BORAH. I assume that the inference should be drawn.

Senator HITCHCOCK. In your conversations and communications did you ascertain in any way, or was the information brought to you in any way, as to the means adopted by these New York interests of getting possession of copies?

Senator BORAH. No, Senator; that question was never discussed in any of these communications, because all of them treated it as a fact that they were there, and that was the only thing that they were discussing, the question in which they were interested. As to how it came into this country, that was never mentioned at any time. They simply understood it was there.

Senator HITCHCOCK. Do you mean to intimate that each one of these individuals named by you has a copy?

Senator BORAH. No; as I say, I do not know whether there is one treaty or whether there are a dozen over there.

Senator HITCHCOCK. Do you know that any one of these gentlemen has a copy of it?

Senator BORAH. I do not know it because I never saw it, and I could not know it; but if I have not been entirely misled, these gentlemen are familiar with it.

Senator HITCHCOCK. Can you tell the committee which one of them had possession of a copy?

Senator BORAH. No; I could not, and I want to say this so that I may not mislead the committee: These gentlemen are only associated with my information from a combination of circumstances drawn from this information. Nobody, for instance, wrote and told me that a certain man had possession of a copy; but certain interests which were interested in this fight and who have been prominent in it, etc., were in possession of it or familiar with it. For instance, I was informed Mr. Lamont knew all about the terms of the treaty.

Senator HITCHCOCK. As having possession of a copy?

Senator BORAH. As knowing the contents of it and being familiar with it.

Senator KNOX. Is not Mr. Lamont the financial adviser to the American peace delegates? Has he not been serving in that capacity for the Government?

Senator HARDING. He was.

Senator KNOX. He was? I understood that he was or is.

Senator HITCHCOCK. So that he may have had possession of it in an official capacity?

Senator KNOX. If he sustained that relation to the conference, I assume that of course he had possession of it.

Senator HARDING. He went abroad as the financial adviser of the peace commission—as one of the counsel.

Senator BORAH. That may be the avenue which we are looking for.

Senator McCUMBER. Now the Chair will make a suggestion to Senator Borah. I do not know whether this motion to issue a subpoena duces tecum covers anything more than the correspondence; in other words, whether it is intended to cover any instrument or treaty the copies of which are in the hands of those people; and if there is any question on that I think the committee ought to make it clear that it is intended to secure not only the correspondence but the treaty itself, if they have possession of it.

Senator BORAH. I have no information which will enable me to say that any one of these particular gentlemen has this particular treaty. You must understand that I have been on the outside and have only gathered information in a general way, but I do not see any objection to the subpoena including and calling for the treaty itself.

Senator McCUMBER. If there is no objection, that will be considered as a part of the subpoena.

Senator HITCHCOCK. The request which we considered was that all the correspondence between Morgan and his Paris and London representatives be brought to the committee relating to the treaty. It seems to me that it would be improper, while the President has officially declared that he is not permitted to make the treaty public, for the committee to violently secure a copy of it and make it public.

Senator BRANDEGEE. It does not follow that we will make it public if they bring it down here.

Senator HITCHCOCK. With that understanding——

Senator BORAH. That may be the understanding with the committee, but not with me individually.

Senator HITCHCOCK. I hardly think the committee would desire to run counter to the expressed desire of the peace commission, as stated, to withhold it.

Senator SWANSON. It does not seem to me that that ought to be included in the subpoena that is to be issued. We could just ascertain if they have got the treaty, and after ascertaining the circumstances under which it was obtained then we can determine whether to make it public.

Senator BRANDEGEE. If the Senator will allow me to suggest, I think that is immaterial. After these witnesses get here, if we find that they have got a copy we can then call for it.

Senator McCUMBER. Should it not be clear whether that is included in the subpoena duces tecum?

Senator BRANDEGEE. I would suggest that it be not included now, and if we find that they have one it can be asked for. It is within the power of the committee.

SENATOR MOSES. I hope, Mr. Chairman, that at no time during the investigation will we make an effort to secure a copy of that treaty in any such way. If we can not secure a copy through the President in the proper way, I object to taking one that is handed out to us through the kitchen window.

SENATOR BORAH. That is an individual view. That is not my view.

SENATOR WILLIAMS. The resolution of the Senate has not directed or authorized us to do that. The resolution of the Senate directed us to ascertain whether there was a copy and how it got in there.

SENATOR SWANSON. I understand the Senator from Idaho withholds these other names, but later will furnish other names.

SENATOR BRANDEGEE. He will furnish such names as he pleases. He has furnished all the names that he desires to at this time.

SENATOR SWANSON. Yes.

SENATOR BRANDEGEE. I want to read from the Congressional Record of June 5, Mr. Chairman, page 694, as follows:

MR. HITCHCOCK. I do not know any great moral advantage of such a treaty coming into the hands of the Senator from Massachusetts and being withheld from the hands of his associates. I can see no great moral boast in that. If he held the treaty in his hands, he held stolen goods—goods probably secured by bribery.

Now, nobody has ever had the audacity to hint that the administration or any of its agents could be bribed. It seems to me that is a very serious accusation, and when the Senator from Massachusetts gives his testimony I hope that the Senator from Nebraska will either withdraw any such intimation or else make good on his charge.

SENATOR McCUMBER. The committee will listen now to a statement from Senator Lodge.

#### STATEMENT OF SENATOR HENRY CABOT LODGE, OF MASSACHUSETTS.

SENATOR LODGE. Mr. Chairman, I have heard nothing about copies being in the hands of financial interests or anybody else. I was in New York a week ago to-day and I was shown voluntarily—I made no request or anything of that sort, but I was shown voluntarily, by a friend not connected in any way with any financial interest that I am aware of, not a partner in any of these firms—I was shown a copy of the treaty, and there was some discussion; we had some talk about certain of the provisions in it.

I subsequently saw another friend of mine wholly unconnected with business, so far as I am aware, who told me that he had a copy himself and would be glad to let me have it to examine; but I told him that I did not desire to have any copy put into my hands, because I could not hold it as a secret; that anything that was given to me I should regard as for publication. He therefore did not give me the copy. He told me incidentally that he knew of four copies in New York. I did not say that I knew of four. He told me that he knew of four. I only knew of two, the one that I had seen and the one that this second gentleman told me he had in his possession and offered me. That was all the information that I received. I made no inquiry as to where they got them or how they got them.

I do not feel that it would be right—I think it would be a breach of faith, that it would not be honorable—for me to disclose the names

of my two informants. That, of course, is a question which every man must decide for himself according to his own belief as to what constitutes good faith.

I also think that there is a much broader reason than this, and that is that a Senator is a representative of the State from which he is elected. We all receive information from persons who ask very frequently to have their names withheld; I have heard letters read in the Senate, the names in which have been withheld; and I think it is very important that the constituents of Senators should feel that they can communicate to their Senators any information which they think of public importance without fearing that a Senator could be compelled in any way to reveal their names. That is all I have to say. I have no knowledge about the financial interests whatever.

Senator HITCHCOCK. Is it not quite possible that the gentlemen you refer to would be perfectly willing to have their names known?

Senator LODGE. I do not know.

Senator HITCHCOCK. Could you not ascertain that fact and aid the committee, if they have no objection to the use of their names?

Senator LODGE. I have not asked them.

Senator HITCHCOCK. Is there any reason why they should not?

Senator LODGE. I think they know that this investigation is in progress.

Senator HITCHCOCK. Would you not be willing to ascertain for the committee whether they would have any objection?

Senator LODGE. I suppose I could ascertain from them whether they had any objection.

Senator BRANDEGEE. May I make a suggestion to the Senator from Nebraska? I do not think it is important for us to waste much time about who has got the treaty, or how many copies are in the country. I think there are a good many. They are quite common. They were quite common in Europe, and they were brought over before any order was put out forbidding their being brought in, and they are here. One of the newspaper gentlemen tells me that the Chicago Tribune this morning prints 25,000 words extracted from a copy in their possession, and the New York Tribune has 25,000 words of extracts from the treaty, and whether it is from a copy in their possession or whether it is from the Chicago Tribune's copy I do not know; but that copies in the country are as common as huckleberries except to the Senate is well known.

Senator WILLIAMS. As common as huckleberries?

Senator BRANDEGEE. As common as blackberries or huckleberries, if the Senator is more familiar with blackberries.

Senator HITCHCOCK. Will the Senator aid the committee by giving the committee the name of the person who has a copy?

Senator BRANDEGEE. I will at 12 o'clock.

Senator NEW. As to what the Senator says about newspapers, I have in my hand here a copy of the New York Sun of yesterday which states that the Sun correspondent in London came into possession of copies of it which he obtained from The Hague, but that on attempting to send it to New York he was prevented from doing so by the British censor.

Senator HITCHCOCK. Senator Lodge, pursuing that matter further, would you be willing to aid the committee by inquiring of these two gentlemen whether they would have any objection to permitting you to give their names to the committee?

Senator LODGE. I can find that out.

Senator HITCHCOCK. And if they are not willing to do so, would you have no means of aiding the committee to ascertain the names of the gentlemen or where they got it?

Senator LODGE. Certainly not. I could not betray confidence partially. My lips are sealed so far as my informants are concerned.

Senator HITCHCOCK. You favored this investigation?

Senator LODGE. Yes.

Senator HITCHCOCK. You think this committee ought to investigate?

Senator LODGE. I do; but I certainly should not think of giving the names of my informants any more than Senator Borah has.

Senator BRANDEGEE. And you so stated in favoring the investigation?

Senator LODGE. I so stated.

Senator HITCHCOCK. Could you aid the committee in securing other names—the names of others in New York?

Senator LODGE. No; I know no other names. I have made no investigation at all.

Senator HITCHCOCK. Neither of these gentlemen asked that it be regarded as a confidential matter?

Senator LODGE. I think one of them did. I am not sure. It makes no difference. It makes no difference in regard to my feeling, that they were shown to me in confidence, entirely voluntarily.

Senator WILLIAMS. Senator, I would like to ask you a question. I realize perfectly that faith must be kept in matters communicated in such a manner as to make an impression upon one's mind that they are in confidence. There is no doubt about that. But could you give the committee the name or anybody that you think has a copy, so that that witness could be summoned?

Senator LODGE. No; I do not know of anybody—here is one right here, Mr. Polk.

(Immediately prior to this time Mr. Frank L. Polk, counselor for the State Department, Acting Secretary of State, had entered the committee room.)

Senator BRANDEGEE. We will come to him later.

Senator WILLIAMS. Yes; we will come to that later. I thought that perhaps you had the name of somebody who had a copy; and if so, you could give his name.

Senator LODGE. No; I have seen nothing except the statement which all of you have seen in the newspapers, that Mr. Davison brought copies with him.

Senator McCUMBER. He has been summoned already.

Senator LODGE. Yes; and I also heard the report, to which the Senator himself referred, that Mr. Vanderlip brought copies. I have no special knowledge, whatever.

Senator SWANSON. I understand that the Senator has nothing except what he thinks he received in confidence and can not honorably disclose.

Senator LODGE. That is the only information I have that is direct information.

Senator HITCHCOCK. Can you convey to the committee, without making any breach of confidence, the information as to the reason these gentlemen were using copies of the treaty—the purpose they had in using it and securing it?

Senator LODGE. I have not any idea at all.

Senator HITCHCOCK. You could not draw any conclusion from knowing their business or profession?

Senator LODGE. No; it was shown to me simply because I was supposed to be interested in the treaty.

Senator HITCHCOCK. Would you think that their purpose in having the treaty was because they had some particular interest in its terms, as stated by Senator Borah?

Senator LODGE. No; I have no indication of that sort whatever.

Senator HITCHCOCK. Was their interest merely a matter of curiosity or was it a business interest?

Senator LODGE. It was merely a general interest. No business interest at all.

Senator HITCHCOCK. Might it have been a political interest?

Senator LODGE. No. Many people take an interest in the league of nations.

Senator HITCHCOCK. Would you be willing to state whether they favored or opposed the treaty?

Senator LODGE. No.

Senator HITCHCOCK. You would not be willing to say?

Senator LODGE. No; I should prefer not to give their opinions. In one case, I do not know.

Senator HITCHCOCK. Would you object to stating whether they approved your course in the Senate?

Senator LODGE. No; I do not care to give any indications as to conversations. If I am going to keep them secret, and if I am going to refuse to give information about them, I mean to refuse to give it altogether.

Senator PITTMAN. Are they in the banking business?

Senator LODGE. I said that they were not in the banking business at all.

Senator KNOX. The question as to whether the Senator will disclose the sources of his information is one of the highest privilege of the Senator from Massachusetts. He has stated that this information he is honorably bound to withhold, and I think the effort to locate the individual by some process of elimination, or eliciting his views as to something else, is hardly fair.

Senator HITCHCOCK. The reason of my asking was that Senator Borah had stated that these copies of the treaty were in the hands of parties in New York having special interest in its terms, and I wanted to ascertain of Senator Lodge, if I could, without his disclosing any of the sources of his information, whether that statement of Senator Borah was borne out by his information.

Senator KNOX. He has stated over and over again that the persons from whom he received the information, or who showed him a copy of the treaty, had no business interests, and were not connected with anybody that had any business interests.

Senator LODGE. Yes; I have stated that several times.

Senator KNOX. I think that ought to conclude it.

Senator McCUMBER. If the statement of the Senator from Massachusetts is closed, I will ask him now to reassume the chair.

(At this point Senator Lodge reassumed the chair.)

The CHAIRMAN. Gentlemen of the committee, Mr. Polk, representing the State Department, is here at the request of the committee, and the committee, I know, will be very glad to hear any statement he has to make as to the copies of the treaty, or what the attitude of the department has been in regard to it.

**STATEMENT OF MR. FRANK LYON POLK, COUNSELOR FOR  
THE STATE DEPARTMENT, ACTING SECRETARY OF STATE.**

Senator FALL. I suppose that the Secretary, of course, has knowledge of the telegram which was presented to us this morning by the Senator from Nebraska.

Mr. POLK. It was read to me this morning.

Senator BRANDEGEE. I do not like to have this hiatus in the proceedings which seems to exist. I would like to ask Mr. Polk first whether he has been in possession of a copy of the treaty.

Mr. POLK. I would be very glad to enlighten the Senator. I received one copy of the treaty, which was sent over to me by special courier about the 19th of May, I think, Senator. Later on I received 10 more copies by special courier, and since then I have received some more copies by mail.

All those copies were placed in my safe, and no one has seen them except myself and my assistant, Mr. Shaw, and they have not been out of my possession. There was not room in my safe for all of them and some were put in another safe. They were sealed when they were put in. The copies were delivered by courier, and held in the office. Does that answer your question?

Senator BRANDEGEE. Yes; so far as it goes. I will ask you one or two more, to help you along from time to time.

Were your orders from the President not to make those copies public?

Mr. POLK. My direction from the peace conference was to hold the copies awaiting instructions.

Senator BRANDEGEE. Who signed those directions from the peace conference?

Mr. POLK. They are usually signed "American mission."

Senator BRANDEGEE. Anything that comes over the cable has that signature on it?

Mr. POLK. It was likely to be by a member of the commission.

Senator BRANDEGEE. Did I understand you to say that you had 8 or 10 copies of the original, or whatever they are, of this treaty?

Mr. POLK. I now have more than that.

Senator BRANDEGEE. Have you compared those received at a later period with those received earlier, to see if any changes have been made in them?

Mr. POLK. No, sir.

Senator BRANDEGEE. I have understood that one of the reasons urged by the President or somebody at the head, for not making it public, was that they were making changes in it all the time, and he



did not desire to make it public until it was concluded, so that I was interested to know whether any of these copies received by you showed any changes having been made from the first draft made.

Mr. POLK. I made no comparison.

Senator KNOX. You did not examine them, but sealed them up and put them in the safe. The ones that were gotten after the original, are they copies gotten by courier?

Mr. POLK. Yes.

Senator KNOX. In what form were they delivered to you; in sealed packages?

Mr. POLK. Sealed packages.

Senator KNOX. Who broke the seals?

Mr. POLK. They were broken in my office.

Senator KNOX. Broken by yourself?

Mr. POLK. No; by Mr. Shaw, my assistant.

Senator KNOX. They were broken by the mail clerks of the department?

Mr. POLK. Yes.

Senator KNOX. The latest copies came in the mail?

Mr. POLK. Yes.

Senator KNOX. And those were opened in the mail room, downstairs?

Mr. POLK. Yes; but they were sealed.

Senator KNOX. The inner package was sealed?

Mr. POLK. The inner package was sealed; yes, Senator.

Senator KNOX. You deposited them with seals unbroken?

Mr. POLK. Yes; unbroken.

Senator KNOX. So that you do not believe, I fancy, from what you say, that there has been a probability that a copy or several copies might have been shown to others?

Mr. POLK. No chance of it.

Senator KNOX. Since they were in your possession?

Mr. POLK. No chance whatever.

Senator McCUMBER. Have you made any investigation from your own office to ascertain whether any copies have surreptitiously come into the possession of any interests in New York, and if so, how they came into their possession?

Mr. POLK. No, Senator; I did not know that there were any other copies in this country other than those in my possession, before the statements made by Senator Lodge and Senator Borah on Tuesday.

Senator McCUMBER. And you made no investigation?

Mr. POLK. No; but I have heard rumors of copies here. I have no definite knowledge.

Senator McCUMBER. You do not think one of those copies has gotten out of your possession?

Mr. POLK. I do not think so.

Senator McCUMBER. No copies of it have gotten out?

Mr. POLK. I do not see how it is possible.

Senator SWANSON. Every copy that was sent to you is now in your possession?

Mr. POLK. Every one is in my possession. I was notified beforehand what was coming. First, they telegraphed me that one was coming in the hands of a courier, and then that 10 were coming in

the hands of a courier. Those are all in my possession and have not been out of my possession, and no one has access to the safe except myself and Mr. Shaw.

Senator SWANSON. So that if any copies did come into the possession of any private individuals, they must have come from the other side of the Atlantic?

Mr. POLK. Undoubtedly.

Senator WILLIAMS. From some other source?

Mr. POLK. Yes.

Senator WILLIAMS. How many have you now?

Mr. POLK. I could not state definitely because I have not opened that last package. I should say somewhere about 35. That is rough.

Senator FALL. You had first one, of which you were notified when it was sent.

Mr. POLK. Yes; and then, as I say, I was notified and then a sealed package came in a pouch.

Senator FALL. In the mail?

Mr. POLK. Yes.

Senator SWANSON. In the department's mail, that is?

Mr. POLK. Yes.

Senator SWANSON. Not by the ordinary mail.

Mr. POLK. Yes; those last copies were brought by mail.

Senator JOHNSON of California. Did you receive parts of it by cable?

Mr. POLK. I received sections of it.

Senator JOHNSON of California. So that the entire treaty came to you through the cable as well?

Mr. POLK. No; it was not complete.

Senator JOHNSON of California. How near complete was it?

Mr. POLK. I have not had it examined, so I can not tell you.

Senator JOHNSON of California. Substantially complete, or very insubstantially?

Mr. POLK. I should say, at a guess, 80 per cent.

Senator JOHNSON of California. That was the first text that came to you, was it not, by cable?

Mr. POLK. Yes, sir.

Senator JOHNSON of California. Did you publish a synopsis of it?

Mr. POLK. The synopsis did not come from me. That was prepared in Paris and sent by the Committee on Public Information to New York, and given out by them. It was not given out by the department.

Senator BRANDEGEE. That is what they called a summary?

Mr. POLK. That is what they called a summary; yes, sir.

Senator JOHNSON of California. But was not that, by your order, published in the Government Printing Office?

Mr. POLK. The summary?

Senator JOHNSON of California. Yes.

Mr. POLK. No, sir; that was given out by the Committee on Public Information, at New York.

Senator JOHNSON of California. I know, but subsequently there was a pamphlet came to you?

Mr. POLK. Yes, sir.

Senator JOHNSON of California. That was published by your office?

Mr. POLK. We had a number of requests from Senators, so that we had that set up and printed.

Senator JOHNSON of California. That synopsis came from Paris and was not made here?

Mr. POLK. No, sir; it was not made here.

Senator JOHNSON of California. Do you remember the opening sentence of it, that with a few minor corrections it stated accurately the treaty provisions?

Mr. POLK. I do not recall the exact wording; no, sir.

Senator JOHNSON of California. Do you know whether it did accurately state the treaty, with a few minor corrections?

Mr. POLK. No, I could not state that.

Senator JOHNSON of California. Have you made any comparison or any examination of the synopsis and the treaty to ascertain whether or not the one was a correct synopsis of the other?

Mr. POLK. No.

Senator JOHNSON of California. You are unable to say, now, whether the synopsis is an accurate synopsis?

Mr. POLK. Yes. I would not feel competent to answer that question.

Senator JOHNSON of California. Were any reasons assigned to you as to why a synopsis should be given to the people?

Mr. POLK. As to why a synopsis should be given?

Senator JOHNSON of California. Yes.

Mr. POLK. And why the text should not be submitted?

Senator JOHNSON of California. Yes; well, put it that way.

Mr. POLK. Yes, I was given reasons. They were in line with the reasons given by——

Senator JOHNSON of California. If you feel at liberty to state them, would you state them.

Mr. POLK. The reasons, as I recall, have been stated in various telegraphic dispatches, and the reasons are the same.

Senator JOHNSON of California. The reasons to you?

Mr. POLK. The reasons are the same as stated in telegrams from Paris.

Senator JOHNSON of California. Would you state the reasons for giving a correct synopsis and withholding the text of that synopsis?

Mr. POLK. I beg your pardon. I did not understand.

Senator JOHNSON of California. Will you state the reasons for giving the synopsis and withholding the text of which the synopsis was made?

Mr. POLK. I would like to answer that in this way, if I may be permitted.

Senator JOHNSON of California. Answer it in any way.

Mr. POLK. The reason that they did not give out the treaty was that they felt that they were under obligations to the British and French; that the agreement had been made by all parties not to give out the treaty.

Senator JOHNSON of California. Why was a synopsis given?

Mr. POLK. That I can not answer. I do not know.

Senator JOHNSON of California. Do you know whether or not the synopsis was given in order to afford the American people accurate information of the treaty?

Mr. POLK. I assume so, yes, sir.

Senator JOHNSON of California. Do you know any reason, if accurate information of all the provisions of the treaty was given to the American people, why the treaty itself should be withheld?

Mr. POLK. I assume that while the information would be accurate as to the substance, there might be some change in the phraseology that might provoke discussion.

Senator JOHNSON of California. Was the reason for withholding the text, that discussion might not be provoked in this country?

Mr. POLK. No, not discussion provoked here in this country, but in Paris, in the press.

Senator JOHNSON of California. Now can you tell me the theory upon which the synopsis was given to the American people?

Mr. POLK. No, I can not, Senator.

Senator JOHNSON of California. As I recall it, the synopsis was just given out by giving it to the newspapers in New York City.

Mr. POLK. Yes.

Senator JOHNSON of California. That is correct?

Mr. POLK. Yes.

Senator JOHNSON of California. The idea being that the synopsis should inform the American people of the treaty?

Mr. POLK. No; I am not prepared to answer these questions.

Senator JOHNSON of California. In giving that information to the American people, of course the only design was to give them accurate information of the treaty? I presume that goes without saying, does it not?

Mr. POLK. I presume so, yes.

Senator JOHNSON of California. Now, when accurate information was given of a document of that sort, other than you have stated could you tell me any reason why the document was not given to the American people?

Mr. POLK. I am not prepared to answer those questions. I prepared myself on the question as to how the treaty got out.

The CHAIRMAN. I wanted to ask you one question, if I might. It was stated in the newspapers that some time after the publication of the treaty; that is, after the treaty was finished and sent here, an order was issued that no more must be taken to this country. Was such an order issued?

Mr. POLK. Not that I know of.

The CHAIRMAN. I merely saw that in the newspapers.

Mr. POLK. No, sir.

Senator WILLIAMS. The dissemination of the synopsis that was published here and the synopsis that was also published in France and Great Britain, was by agreement between France and Great Britain and the United States?

Mr. POLK. Yes; I so understood it.

Senator WILLIAMS. That is what I thought.

Senator SWANSON. I understand that the treaty was sent to you with the understanding that it was to be held?

Mr. POLK. Held, subject to the order of the peace conference.

Senator KNOX. I would like to ask the Secretary a question.

The CHAIRMAN. Proceed.

Senator KNOX. Some time ago there was a pamphlet printed which contained the first article of the treaty; that is, on the subject of the league of nations. I would like you to tell us, if you can, whether the

text contained in that pamphlet is the official, corrected, final text of the covenant of the league or whether it is subject to modifications.

Mr. POLK. You mean whether it is the same as the article of the treaty?

Senator KNOX. Yes.

Mr. POLK. I could not answer that.

Senator KNOX. The reason I asked that is that you kindly gave me a typewritten copy of it some weeks ago, and you made a reservation then that this might be subject to modification, and I think that is quite important for us to know, whether we are dealing with the final text of the league of nations, which it purports to be. No reservation was made on the face of it.

Mr. POLK. I presume it was, Senator.

Senator KNOX. Yes.

Senator BRANDEGEE. Do you know whether the peace conference over there has discharged the committee that was in charge of the formation of the text of the league of nations, having finished its work, or whether the league of nations covenant is still open to modification and change over there? Do you happen to know about that?

Mr. POLK. I can state my opinion about it; I can not state positively.

Senator BRANDEGEE. That is all I want to know.

Mr. POLK. I think it has.

Senator KNOX. I have not finished my examination, Senator.

Senator BRANDEGEE. I thought you had finished. I beg your pardon.

Senator SMITH of Arizona. He has answered.

Senator BRANDEGEE. Yes.

Senator SMITH of Arizona. I just wanted it in the record.

Senator KNOX. You said you presumed that the pamphlet that was ordered by the Senate to be printed the other day was the final text of the league of nations, but you had made no comparison with the treaty which you have received?

Mr. POLK. No.

Senator KNOX. It is quite important, Mr. Secretary, that we should know of that fact. Will you notify the committee when you have made the comparison whether it is an accurate copy?

Mr. POLK. Yes, Senator; if I am at liberty to give that text out, and I assume that I am.

Senator KNOX. It has been given out, you know.

Senator SWANSON. As I understand, the league of nations was included in the synopsis that was given to everybody.

Senator KNOX. No; it was only partially included. It was very much abbreviated.

The CHAIRMAN. You could not tell anything by the summary.

Senator KNOX. Where did this come from? Was it not cabled from abroad, and did it not purport to be a final draft?

Senator SWANSON. I may be mistaken, but I think the summary given of the treaty gave an account of what changes were made in the covenant of the league.

Mr. POLK. My recollection is that before the summary was given out that they published, they cabled over here the covenant of the league of nations.

Senator KNOX. Yes; the covenant of the league of nations was given out, it is my recollection, before the summary of the treaty, and it did not purport to be a summary at all.

Mr. POLK. It was the complete text.

Senator KNOX. It purported to be the complete text. And what I would like to know is, if you would make a comparison with the text of the treaty and inform us whether they agree?

Mr. POLK. Yes; I think I may do that.

Senator HITCHCOCK. There was a comparative print made, which is Document No. 17. That is the one you ought to have to compare with.

Mr. POLK. Yes.

Senator JOHNSON of California. Can you state who it was that made the synopsis of the treaty?

Mr. POLK. No; it was made in Paris and I have no idea.

Senator JOHNSON of California. Could you state who it was that received it first here?

Mr. POLK. The committee on public information in New York.

Senator JOHNSON of California. Who is at the head of that particular organization in New York?

Mr. POLK. In that particular work, a man named Rogers.

Senator JOHNSON of California. And was he the one—

Mr. POLK. That was sent direct to the office in New York. It was not sent even in code, Senator, and it was given out immediately. It is my recollection they started sending at night, and it was given out as soon as it was received there.

Senator JOHNSON of California. He is the one who distributed it in New York?

Mr. POLK. Yes; we had nothing to do with it here.

Senator SWANSON. You stated that the cablegram came of the treaty in sections. Was that given in code or in text?

Mr. POLK. I think it was in code. I could not state that off-hand. It was probably in one of the minor codes.

Senator SWANSON. In one of the minor codes of the State Department?

Mr. POLK. Yes.

Senator SWANSON. Can you let us know whether it came in whole or in part?

Mr. POLK. Yes.

Senator FALL. Have you any information as to whether the synopsis of the treaty, before being cabled over here, was compared, and by whom it was compared in Paris?

Mr. POLK. I do not know, Senator.

Senator FALL. Do you know whether it was printed in Europe in any other than the English language, or whether it was printed there at all?

Mr. POLK. The synopsis?

Senator FALL. Yes.

Mr. POLK. It is my understanding that it was printed in all languages.

Senator FALL. The synopsis.

Mr. POLK. Yes. This is hearsay, so that it is of no value. My understanding is that it was prepared by a committee.

Senator HITCHCOCK. Of the whole world; for all nations?

Mr. POLK. -Yes; that is my understanding. That is of no value as evidence; it is only hearsay.

Senator HITCHCOCK. Mr. Chairman, I move that the committee adjourn subject to the call of the chairman, and also that from time to time the hearings be printed in pamphlet form, so that we can have them available. I make that motion, for in some committees they save it up and wait until it is an old story. I want to have it current.

The CHAIRMAN. I will arrange to have the stenographic report printed as rapidly as possible. We want to keep it current.

Senator McCUMBER. I am not certain as to whether the Secretary's statement as to whether or not the league of nations provision of the treaty was a completed document or whether it was still subject to changes is in the record.

Mr. POLK. That question was asked me.

Senator McCUMBER. There was an answer?

Mr. POLK. No; I did not answer it. As a matter of fact, the question was asked whether the committee that prepared it had adjourned, and I said my understanding was that it had.

Senator McCUMBER. That it had adjourned?

Mr. POLK. Yes; that it had adjourned.

Senator FALL. It was discharged or adjourned?

Mr. POLK. I do not know whether it was discharged; it adjourned.

Senator McCUMBER. And that portion of the document which is the treaty now, is completed, and we have an accurate statement of the league of nations as agreed upon?

Mr. POLK. That I can not tell you, whether it is an accurate statement or not. I have not compared it. I will have to let you know.

Senator SWANSON. It is subject to modifications like any other part of the treaty.

Mr. POLK. Yes; of course.

Senator SWANSON. It is subject to modifications, of course.

Mr. POLK. Yes.

Senator KNOX. Of course all I want to know is what has been agreed to up to this time. It is subject to modifications, but we know that this pamphlet which has been printed accurately represents the treaty as it stands now, on this subject.

Senator HITCHCOCK. I suggest that Secretary Polk be permitted to incorporate in his testimony, when printed, an answer to that question, whether or not that is so.

The CHAIRMAN. Very well.

(Thereupon, at 12 o'clock noon, the committee adjourned, subject to the call of the chairman.)

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Mr. MORGAN. Yes; entirely.

Senator BORAH. You people are greatly interested in this situation, then, of course?

Mr. MORGAN. As much as we are interested in America financially.

Senator BORAH. Your financial operations are not confined to America. You are international.

Mr. MORGAN. No; but I mean I regard this as the defense of America and the American trade situation.

Senator BORAH. Yes; and naturally, therefore, you would have greater interest in the terms of this treaty.

Mr. MORGAN. Yes.

Senator BORAH. As a financier and a banker you are interested in it?

Mr. MORGAN. I am interested in every way.

Senator BORAH. Precisely; I understand that. I am not seeking to get anything except the substantial fact, in accord with Mr. Davison's position, that as a financier and a banker you feel a keen interest in the situation which may be superinduced by the treaty.

Mr. MORGAN. Very much so.

Senator BORAH. That is all.

Senator HITCHCOCK. Is that for the reason that America can only sell goods to Europe on condition that the financial interests and banking houses of America assist in arranging credits?

Mr. MORGAN. America can only sell to Europe if they can get paid for what they sell, and that payment has got to be arranged for until they begin to produce. There has got to be a time arranged for between the time they begin to produce and the time they begin to send goods over here. That has got to be arranged with the banking interests all over the country.

Senator HITCHCOCK. You feel that all the financial interests of the United States have got to assist in financing the sale of goods to Europe?

Mr. MORGAN. Exactly.

Senator HITCHCOCK. That necessity grows out of the fact that they have neither the goods nor products with which to pay?

Mr. MORGAN. They have nothing with which to pay.

Senator HITCHCOCK. The exchange would become impossible and prohibitory?

Mr. MORGAN. Impossible. They could not pay.

Senator BORAH. Yes. Mr. Morgan, are the securities of these European countries which are now in trouble held in this country?

Mr. MORGAN. Which ones do you mean are now in trouble?

Senator BORAH. I take it they all are.

Mr. MORGAN. There are considerable amounts of British, French, and Italian securities held by the American Government—six billions and some nine hundred-odd millions—there are some British and French securities and a certain amount of Italian, but not much.

Senator BORAH. Are there securities of those lesser countries, or those municipalities in those countries, which are now being created, or the governments of which are now being created?

Mr. MORGAN. I do not know of any.

Senator BORAH. What securities are being held in this country—what amount?

Mr. MORGAN. I can send you, for your information, a list of the securities. There are Canadians, and of English perhaps \$250,000,000 of British notes, \$500,000,000 of Anglo-French, and a certain number of French cities, some fifty or sixty millions. I do not remember the whole list.

Senator BORAH. By whom are those securities held, generally speaking?

Mr. MORGAN. All over the country. I do not know.

Senator BORAH. By whom were they placed in this country?

Mr. MORGAN. The French cities were placed by Kuhn, Loeb & Co., and the rest by a number of bankers, whom we headed.

Senator BORAH. The two firms—your firm and Kuhn, Loeb & Co.—have placed these securities generally?

Mr. MORGAN. Yes. I have not mentioned the Russian securities. There are a good many Russian securities in the country, too.

Senator HARDING. Are there any German securities held here?

Mr. MORGAN. Not that I know of.

Senator BORAH. To what amount are the German securities held in this country?

Mr. MORGAN. I do not know at all.

Senator BORAH. Do you know who placed those securities?

Mr. MORGAN. No.

Senator BORAH. You know that some are placed here?

Mr. MORGAN. Some were held here; but whether they are still held here or not I do not know.

Senator BORAH. You say some of the municipalities of France have securities in this country?

Mr. MORGAN. Yes.

Senator BORAH. What particular municipalities?

Mr. MORGAN. Lyons and Bordeaux, I think.

Senator BORAH. To what amount; do you know?

Mr. MORGAN. I think about fifty millions in all; or it may have been one hundred millions on Paris, fifty and twenty. I do not know. That was not our operation.

Senator BORAH. That was Kuhn, Loeb & Co.?

Mr. MORGAN. Yes.

Senator BORAH. I believe that is all.

The CHAIRMAN. Are there any further questions to be asked of Mr. Morgan? If not, we are much obliged, Mr. Morgan. I will call Mr. Vanderlip.

#### TESTIMONY OF MR. FRANK A. VANDERLIP.

(The witness was sworn by the chairman.)

The CHAIRMAN. Senator Williams, you asked that Mr. Vanderlip be called.

Senator WILLIAMS. Mr. Vanderlip, have you possession of one of the copies of the proposed treaty?

Mr. VANDERLIP. No, sir.

Senator WILLIAMS. Have you had possession of one?

Mr. VANDERLIP. I never have had possession, nor never have seen one.

Senator WILLIAMS. That is all I wanted to know. I heard that you had.

Senator HITCHCOCK. Mr. Vanderlip, before you leave let me ask: You have been in Europe and you have been interested in this serious situation. Do you think there should be a united effort on the part of the financial interests of the United States to assist the manufacturers and agricultural interests of the United States in supplying a credit under which the European countries can buy American products?

Mr. VANDERLIP. I would not put the insistence quite that way. There is the most desperate need of assistance, not only by the United States but by other countries that can supply things that are needed to start the industries of Europe. A situation exists there that is threatening to the civilization of Europe.

Senator HITCHCOCK. What is our interest in that matter?

Mr. VANDERLIP. The most vital. It is a very narrow ocean, after all, and I do not believe there can be a general conflagration in Europe that we will not become involved in.

Senator WILLIAMS. We can not live by ourselves on this side of the pond any longer?

Mr. VANDERLIP. No, sir. And it is not all economic. There is a certain amount of mental union, and we must think of that also.

Senator WILLIAMS. Psychological action and counteraction?

Mr. VANDERLIP. Yes.

Senator KNOX. Do you think we ought to guarantee their political independence and territorial integrity as a part of this scheme?

Mr. VANDERLIP. I do not.

Senator McCUMBER. I wish, if you have no objection, that you would indicate to the committee just what you think ought to be done financially in order to accomplish the purposes that you have mentioned in helping Europe, and also helping ourselves in disposing of the products of our own mills and factories, etc.

Mr. VANDERLIP. I feel that the situation in Europe is such that Europe must be regarded now as a whole; that it will not do to aid one country, or even a group of countries, and leave others unaided. There is a paralysis of industry in Europe that leads to a lack of production, to idleness of men, to want, and will lead, when that becomes acute enough, to political trouble; so that I think we should regard the situation as a whole and make an endeavor to furnish the necessary things to start industry as a whole.

Now, the financial situation of some of those countries is pretty bad. I do not believe that this Government, or American investors, should loan at the present time to those nations to rehabilitate their domestic financial situations. What is needed is those things that are essential to starting industry, raw materials, machinery, and equipment for the railroads. The breakdown of transportation is one of the serious difficulties in Europe. Personally, I think it would be better that investors furnish this money directly than if it were furnished indirectly through further government loans. There is a disposition in France and in England to feel that it would be wise and just for us to forego the demand for the repayment of the large amounts of money we have loaned.

Senator BORAH. What is that? I did not understand that statement.

Mr. VANDERLIP. There is a distinct feeling in France and England that it would be a just thing for us to forego asking the repayment of the large amount of money we have loaned.

Senator McCUMBER. At any time, or just at the present time?

Mr. VANDERLIP. No, sir; I mean really forego it.

Senator HARDING. Upon what theory, Mr. Vanderlip?

Mr. VANDERLIP. That theory is variously expressed. Generally, I think it is that we came into the war pretty late; that we ought to take a very full share of the financial burden, because the situation has become so desperate for those nations that came into the war earliest and bore the full brunt of the war and the financial burdens entailed by it.

Senator KNOX. We are not getting any territory, or any reparations, are we?

Mr. VANDERLIP. None whatever.

Senator KNOX. Do you not think that is a pretty fair offset to what they owe us?

Mr. VANDERLIP. I am not advocating this treatment of the debt, you understand. I think this sentiment is increasing, and I think, therefore, it is doubtful if the debt ought to be increased, in the face of that sentiment.

Senator BRANDEGEE. How much have we loaned France and England?

Mr. VANDERLIP. We have loaned to the Allies \$9,500,000,000. We have loaned to France \$2,800,000,000, and my recollection is, about \$4,500,000,000 to England.

Well, I was going on to say that I thought was the way to handle this situation. I believe that the Governments of the several countries that are in a position to furnish to these European countries the material necessary to start their industries, might well unite in an international loan. All the lending Governments would need to do would be to have a sufficient amount of interest in the matter to appoint a large number of bankers—this is too big for any single interest to handle—and I think those bankers, with the advice, perhaps, of the different Governments, should appoint a loan commission which would study the whole situation in Europe, and would allocate to the different nations such a proportion of any proposed loan as they might decide was just, and would make the loan, not in terms of money going into the treasuries of the European nations, but on terms of goods going to some industry, raw material, machinery, and equipment for the railroads.

Senator WILLIAMS. You would include food in that, of course?

Mr. VANDERLIP. Food, to a certain extent; but the supplying of food alone will never cure the situation. Europe must go to work itself or Europe is doomed.

Senator BORAH. Have you any system by which to make those people go to work over there?

Mr. VANDERLIP. They will go to work if they have the opportunity.

Senator BORAH. They do not show much disposition, many of them.

Mr. VANDERLIP. Conditions are very difficult. They have had the most serious trials on their morale. You take the situation in Belgium, where there are 800,000 men being supported by the Govern-

ment, and have been supported for several years; it is difficult to get those conditions back.

Senator BORAH. That is all right; but you know we have Russia and those adjoining countries in the middle part of Europe there. Do you see any disposition on the part of those people to avail themselves of the opportunities they have, although they are very limited?

Mr. VANDERLIP. They have no opportunities. Take the situation of Poland. I do not know whether you want me to talk here about Europe. This is taking up your time.

Senator McCUMBER. I want to hear it. I think it is very important.

The CHAIRMAN. We will be glad to have you. Of course you are not called to testify on this subject.

Senator HITCHCOCK. You started to speak of Poland.

Mr. VANDERLIP. Yes. Poland was fought over and back three times. There is a vast district there that is absolutely denuded. The machinery was taken out of the factories. They have not been able to plant over one-third of the fields. There is no opportunity to go to work there. There is the most disorganized situation. They have no credit. They have no means of getting any raw material. They have, for the time being, probably a sufficient amount of food, but they have planted so little that they will not be able to export any food; just as Roumania, which has been a great exporting nation, has planted not more than enough to supply her own people this last year.

Senator HITCHCOCK. Why did she not plant more?

Mr. VANDERLIP. Because her work cattle have been driven off and she had nothing to work the land with. She had an inadequate amount of machinery and a great shortage of seed. Roumania was a country that worked its fields with cattle very largely. They were, to a very large extent, killed or driven away. The premier of Roumania told me they would not be able to plant enough this year to export any, although it had been common for Roumania to export to the rest of Europe a hundred millions a year of different grains.

Senator WILLIAMS. The condition of Serbia is even worse than that of Roumania, is it not?

Mr. VANDERLIP. Yes; Serbia is distinctly worse than Roumania. Serbia is utterly broken down in its transportation. I understand there were only nine locomotives left in Serbia at the time of the armistice.

Senator WILLIAMS. I understood you to say that you thought this financing ought to be done by private banking interests?

Mr. VANDERLIP. Yes.

Senator WILLIAMS. And not by governments?

Mr. VANDERLIP. Yes; not by the governments.

Senator WILLIAMS. Your private interests would not go into it unless the governments would underwrite it, would they?

Mr. VANDERLIP. No; I should get the best security that Europe could offer. I should get a security that had a first lien upon the customs of each country.

Senator WILLIAMS. Precisely; but you would want some combination of governments behind it?

Mr. VANDERLIP. No; not the lending governments. I think some security can be devised that will not further burden the lending

governments, but will have a basis that will warrant private investors in buying the bonds.

Senator WILLIAMS. How would you do that; by chartering a great corporation or how?

Mr. VANDERLIP. I would propose the same formula to every European government. My suggestion can be varied in many ways. It is for a 15-year loan, one-fifteenth to be payable each year, and this loan to be secured by a first mortgage on the customs of each country. The amount that is necessary is not so large, in the light of these figures that we have come to be used to, because it must be translated into actual things laid down in Europe. It is not a sum to rehabilitate the treasuries of Europe; it is to start the industries and be translated into goods that must be manufactured and exported.

Senator WILLIAMS. And the trade will pay out of its products?

Mr. VANDERLIP. Yes.

Senator MOSES. Do you know anything about the reported refusal of the French Government to admit American machinery into France coming from American manufacturers?

Mr. VANDERLIP. Yes; and I think it was very wise of the French Government to do everything it properly could to hold down the imports into France. They probably did some unwise things in regard to certain matters; prevented the imports of machinery that might have more quickly started some industrial establishments. But on the whole, France has very little to pay with. Her vast income from Russian securities, from Turkish securities, and Balkan securities has ceased for the time being, while her needs, to pay for things bought on the outside, are greater than ever before, so that her position is very serious as to her international balance, and it is entirely proper that she should do everything she can to hold down to the lowest point possible on imports.

Senator MOSES. That has had some bearing on the falling of the price of the franc?

Mr. VANDERLIP. That has had some bearing in keeping the franc up higher than they otherwise would have been able to keep it. If they had permitted larger imports the franc would have fallen more rapidly.

Senator BRANDEGEE. Do you think there is great distress among the French peasants?

Mr. VANDERLIP. No; I would not say there was great distress among the farming peasants, if that is what you mean.

Senator BRANDEGEE. Yes.

Mr. VANDERLIP. They have had a period of high prices. They have accumulated a great deal of paper savings—paper money. The distress is rather among the working, the industrial, population.

Senator McCUMBER. And what France wants to do is to give employment at home, rather than to purchase abroad?

Mr. VANDERLIP. Yes; that is what all these nations seek to do and must do.

Senator WILLIAMS. Yes. Of course, I know that the textile industries of northern France have been destroyed; the machinery has been

moved away. But have the other textile industries in southern France suffered much?

Mr. VANDERLIP. They have suffered no material damage, but their markets are greatly disorganized.

Senator WILLIAMS. Yes.

Senator JOHNSON of California. Does your plan include Russia?

Mr. VANDERLIP. No, sir; not while Russia remains a Bolshevik government. There is no point of contact of capital with the Bolshevik government of Russia.

(Thereupon, at 12.15 o'clock p. m., the committee went into executive session, at the conclusion of which the committee adjourned, subject to the call of the chairman.)

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